

**Aniak Light and Power Company, Inc.**  
**Cost of Power Adjustment (COPA)/ Power Cost**  
**Equalization (PCE)/ Small Facility Power Purchase Rate (SFPPR) Update**  
**Memorandum**

Date: **April 21, 2020**

Utility Name <b>Aniak Light and Power Company, Inc.</b>	Utility File No. <b>TA217-5</b>	Date Filed: <b>March 11, 2020</b>
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FILING SUMMARY		
Statutory Deadline: April 27, 2020 (Extended)	Tariff Sheets recommended for approval: Tariff Sheet No. 31.01 Filed on Apr 16, 2020 Tariff Sheet No. 33.01 Filed on Apr 17, 2020 Tariff Sheet No. 34.00 Filed on Apr 16, 2020	Staff Recommended Effective Date: May 15, 2020
Original Deadline: January 13, 2020	Side-by-side Tariff Sheets attached as Appendix 4	

COPA SUMMARY			
Prior Commission Determination TA Number and Effective Date	Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)
TA216-5 1/27/2020	\$ 0.0597	\$ 0.1041	\$ 0.0444

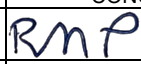




SFPPR SUMMARY			
Prior Commission Determination TA Number and Effective Date	Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)
TA216-5 1/27/2020	\$ 0.2714	\$ 0.2916	\$ 0.0202

PCE SUMMARY			
Prior Commission Determination TA Number and Effective Date	Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)
TA216-5 1/27/2020	\$ 0.2347	\$ 0.2864	\$ 0.0517

**Additional Recommendations:**

Signed:  Utility Tariff Analyst  
Jed Drolet

**Reasons for the above recommendation: See Attached Memorandum**

	Date, if different from 4/21/2020	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett				
McAlpine				
Scott				
Sullivan				
Wilson	4/22/2020			

Special Instructions to Staff:

\* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order

**Aniak Light and Power Company, Inc.**  
**COPA/PCE/SFPPR Update**  
**Memorandum**

To: Robert M. Pickett, Chairman  
Stephen McAlpine  
Antony Scott  
Daniel A. Sullivan  
Janis W. Wilson

Date: April 21, 2020

File: TA217-5

Utility: Aniak Light and Power Company, Inc.

From: Jed Drolet

Subject: COPA, SFPPR, PCE

COPA Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to the COPA surcharge are reviewed under 3 AAC 52.504, which requires information supporting entries in the balancing account for the historical period, and support for projections for the future period.

Staff Notes:

The projected fuel costs increased from \$127,842 to \$160,061. The balancing account balance increased from (\$47,874) to (\$42,461). The projected sales increased from 471,000 kWh to 549,000 kWh. The upward pressure from the increase in the balancing account balance and the increase in fuel costs offsets the downward pressure from the increase in projected sales. The overall effect is an increase in ALPC's COPA from \$0.0597/kWh to \$0.1041/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 31.01, filed April 16, 2020, by Aniak Light and Power Company, Inc. in TA217-5. The effective date of the tariff sheet should be May 15, 2020.

SFPPR Comments:

ALPC's tariff provides that the rate at which power will be purchased from qualifying facilities with a nameplate capacity of 100 kW or less is determined from the sum of fuel and variable operation and maintenance expenses and the energy portion of purchased-power expense for the same period used by the utility to project costs and sales in its COPA, updated by subsequent fuel costs, and divided by the number of kWhs sold for the same time period.

Staff Notes:

ALPC proposes an SFPPR of \$0.2916/kWh, which is an increase of \$0.0202/kWh from the previously approved SFPPR of \$0.2714/kWh.

The Commission should approve Tariff Sheet No. 34.00, filed April 16, 2020, by Aniak Light and Power Company, Inc. in TA217-5. The effective date of the tariff sheet should be May 15, 2020.

PCE Comments:

Proposed adjustments to PCE amounts are evaluated under 3 AAC 52.600-690. Each participating regulated electric utility is required to submit revised PCE amounts in conjunction with COPA surcharge adjustments. The utility must provide information supporting the request for the PCE amount revision. Adjustments will be made to the PCE amounts if the utility does not achieve the generation efficiency and line loss standards set out in 3 AAC 52.620. If a utility fails to meet the generation efficiency standards (kWh/gallon), Staff will impute the number of gallons that should have been consumed. Because 3 AAC 52.610(f) provides no guidance on the method of imputing the number of gallons that should have been consumed, Staff uses on the method prescribed for non-regulated utilities in 3 AAC 52.610(g)(1)(B). Staff reviews the line loss for each reported month to determine if the 12% line loss standard has been met; if it has not, Staff reviews the annual line loss. If Staff determines that both the monthly and annual line loss standards have not been met Staff will impute the number of kWh that should have been sold. The resulting imputed sales and/or generation is then used to calculate an adjusted balancing account balance which is used in determining the total fuel power costs used in the calculation of the PCE amounts.

Staff Notes:

Staff notes that ALPC failed to meet the regulatory line loss standard of 12% (see 3 AAC 52.620(b)) in August and September 2019. ALPC's line loss in these two months was 13.54% and 13.02% respectively, and its annual line loss was 14.20% and 14.11% for the same respective months. As a result, Staff increased the kWh sales for August and September 2019 by 4,851 kWh and 3,989 kWh, respectively, to achieve the 12% line loss standard. The adjustment to the balancing account balance decreased ALPC's PCE amount from \$0.2901/kWh to \$0.2864/kWh. With TA217-5, ALPC is proposing a \$0.0517 increase to its PCE amount, from \$0.2347/kWh to \$0.2864/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 33.01, filed April 17, 2020, by Aniak Light and Power Company, Inc. in TA217-5. The effective date of the tariff sheet should be May 15, 2020.

**Aniak Light and Power Company, Inc.**  
Calculation and Comparison of 500 kWh Bill  
TA217-5

Customer Bills	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)	Change
Surcharge (\$/kWh)	\$0.0597	\$0.1041	\$0.0444
PCE (\$/kWh)	\$0.2347	\$0.2864	\$0.0517
<b>500 kWh Residential Customer Bill</b>			
First 250 kWhs @ \$0.4995/kWh	\$124.88	\$124.88	\$0.00
Next 250 kWhs @ \$0.4532/kWh	\$113.30	\$113.30	\$0.00
Regulatory Cost Charge @ \$0.000593/kWh	\$0.30	\$0.30	\$0.00
Surcharge Amount (\$)	\$29.85	\$52.05	\$22.20
PCE Credit Amount (\$)	(\$117.35)	(\$143.20)	(\$25.85)
Total Customer Bill (\$)	\$150.98	\$147.33	(\$3.65)

**Signature:** 

**Email:** bob.pickett@alaska.gov

**Signature:**   
Stephen McAlpine (Apr 21, 2020)

**Email:** stephen.mcalpine@alaska.gov

**Signature:** 

**Email:** antony.scott@alaska.gov

**Signature:**   
Dan Sullivan (Apr 22, 2020)

**Email:** daniel.sullivan@alaska.gov

**Signature:** 

**Email:** janis.wilson@alaska.gov

**Aniak Light and Power Company, Inc.**  
COPA Amount  
TA217-5

Calculation of COPA			
Line	Description	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)
A	Estimated Per Unit Fuel Cost	\$ 2.9055	\$2.9641
B	Estimated Fuel Consumption	44,000	\$ 54,000
C	Estimated Per Unit Power Cost	-	-
B	Estimated Power Consumption	-	-
D	Total Estimated Fuel and Power Costs ((A*B)+(C*D))	\$ 127,842	\$ 160,061
E	Balancing Account Balance	\$ (47,874)	\$ (42,466)
F	Total (D+E)	\$ 79,968	\$ 117,595
G	Estimated Retail Sales	471,000	549,000
H	Projected Cost of Power (F/G)	\$ 0.1698	\$ 0.2142
I	Base Cost of Power	\$ 0.1101	\$ 0.1101
J	Cost of Power Adjustment Amount (H-I)	\$ 0.0597	\$ 0.1041

Comments	

Actual Costs			
	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)	Change
Per Unit Fuel Cost	\$ 2.58	\$ 2.78	\$ 0.20
Total Fuel Cost	\$ 114,222.89	\$ 120,661.35	\$ 6,438.46
Per Unit Power Cost	\$ -	\$ -	\$ -
Total Power Cost	\$ -	\$ -	\$ -
Balancing Account	\$ (47,873.71)	\$ (42,466.47)	\$ 5,407.24

Actual Revenues			
	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)	Change
Sales	\$ 468,161	\$ 461,767	\$ (6,394)
COPA Surcharge Revenues	\$ 69,521.91	\$ 62,430.90	\$ (7,091)
Base Cost Revenues	\$ 51,544.53	\$ 50,840.55	\$ (704)

**Aniak Light and Power Company, Inc.**  
**POWER COST EQUALIZATION**  
**TA217-5**

Calculation of Power Cost Equalization		
Line Description	Prior Commission Determination (\$/kWh)	Updated Commission Determination (\$/kWh)
A Non-Fuel Power Costs	0.2822	0.2822
B Fuel Power Costs	0.1559	0.2103
C Total Power Costs	0.4381	0.4925
D Total Costs Less \$0.191/kWh	0.2471	0.3015
E 95% of Total Power Costs	0.2347	0.2864
F Statutory Maximum [(1-0.191)*0.95]	0.7686	0.7686
G Lesser of E or F	0.2347	0.2864
H Customer Class Rate		
Residential	0.4055	0.3862
Commercial First 250	0.3823	0.3630
Commercial Over 250	0.3823	0.3630
I Power Cost Equalization - Lesser of G or H		
Residential	0.2347	0.2864
Commercial First 250	0.2347	0.2864
Commercial Over 250	0.2347	0.2864
J Power Cost Equalization - After Reduction	100%	100%
Residential	0.2347	0.2864
Commercial First 250	0.2347	0.2864
Commercial Over 250	0.2347	0.2864

Amendment to Allowable Costs		
Line	Description	Amount
1	NON-FUEL COSTS - TA81-5/U-97-028(1)	
2	Allowable Non-Fuel Cost	\$ 566,821
3	Twelve Month Total kWh Sales	2,012,576
4	Regulatory Cost Charge	\$ 0.000593
5	Total Non-Fuel Power Costs	0.2822
6	FUEL COSTS	
7	Current Fuel Price	\$ 2.9641
8	Estimated Fuel Consumption (gallons)	54,000
9	Estimated kWh Sales (kWh)	549,000
10	Imputed Balancing Account Balance	(\$44,632.62)
11	Total Fuel Power Costs	0.2103
Surcharge Calculation		
Line	Description	Amount
1	Total Estimated Fuel Power Costs	160,061
2	Imputed Balancing Account Balance	(\$44,632.62)
3	Total	115,428
4	Estimated Retail Sales	549,000
5	Projected Cost of Power	0.2103
6	Base Cost of Power	0.1101
7	Surcharge	\$ 0.1002

Calculation of Average Customer Class Rate per kWh									
Line	kWh (by Block)	Rate (\$/kWh)	Customer Charge	COPA Surcharge (\$/kWh)	RCC (\$/kWh)	Total Rate (\$/kWh)	Total (\$)	Average Rate (\$/kWh)	Average Rate Less \$0.191/kWh (\$/kWh)
1	Residential First 250	0.4995	-	0.1002	0.000593	0.6003	150.08	0.6003	
2	Residential Next 250	0.4532	-	0.1002	0.000593	0.5540	138.50	0.5540	
3	Total						288.58	0.5772	0.3862
4	Commercial First 250	0.4532	-	0.1002	0.000593	0.5540	138.50	0.5540	0.3630
5	Commercial Over 250	0.4532	-	0.1002	0.000593	0.5540	138.50	0.5540	0.3630

RCA No. 5 One hundred four  
Canceling  
One hundred three  
Sheet No. 31.01  
Sheet No. 31.01

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**JAN 23 2020**  
STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

ANIAC LIGHT & POWER COMPANY, INC.

COPA Calculation

1. Estimated costs for three months beginning July 1, 2019

Source	Estimated Quantity	Estimated Unit Cost	Total
Diesel Fuel	44000	2.9055	127842.00
Purchased Power			0
TOTAL			127842.00

2. Balance in COPA Balancing Account as of 6/30/19 -47873.71

3. TOTAL (1 + 2) 79968.29

4. Estimated retail sales for 3 months 471000

5. Projected cost of power (3 / 4) 0.1698 R

6. Base Cost of Power 0.1101

7. COPA amount 0.0597 R

Tariff Advice No. 216-5 Effective: January 27, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
Darlene Holmberg

RCA No. 5 One hundred five  
Canceling  
One hundred four  
Sheet No. 31.01  
Sheet No. 31.01



ANIAC LIGHT & POWER COMPANY, INC.

COPA Calculation

1. Estimated costs for three months beginning October 2019

Source	Estimated Quantity	Estimated Unit Cost	Total
Diesel Fuel	54000	2.9641	160061.40
Purchased Power			0
TOTAL			160061.40

2. Balance in COPA Balancing Account as of 6/30/19 -42461.00

3. TOTAL (1 + 2) 117600.40

4. Estimated retail sales for 3 months 549000

5. Projected cost of power (3 / 4) 0.2142 I

6. Base Cost of Power 0.1101

7. COPA amount 0.1041 I

Tariff Advice No. 217-5 Effective: May 15, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
Darlene Holmberg

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RCA No. 5 One hundred fortieth Revision Sheet No. 33.01  
 Canceling  
 One hundred thirty-ninth Revision Sheet No. 33.01

STATE OF ALASKA  
 REGULATORY COMMISSION OF ALASKA

ANIAK LIGHT & POWER COMPANY, INC.

POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 KWH per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community served by Aniak Light & Power Co., Inc., for actual consumption of not more than 70 KWH per month for each resident of the community. The number of community residents shall be determined under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below is as follows:

Rate Schedule	Amount
All	.2347/KWH R

AS42.05.110(I) provides that when appropriations are insufficient for payment in full, the amount paid to each utility is reduced on a pro rata basis. The Division of Energy, Department of Community and Economic Development has notified the Commission that funding is sufficient to cover the fiscal year 2020 (FY20) PCE Program requirements and that the shortfall will require a 0% reduction in the PCE levels effective with the 1st billing period. Beginning with that billing period, the amount of PCE to be credited to the bills of all eligible customers is as shown below:

Rate Schedule	Amount
All	.2347/KWH R

Tariff Advice No. 216-15 Effective: January 27, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
 Darlene Holmberg



RCA No. 5 One hundred forty-first Revision Sheet No. 33.01  
 Canceling  
 One hundred fortieth Revision Sheet No. 33.01

ANIAK LIGHT & POWER COMPANY, INC.

POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 KWH per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community served by Aniak Light & Power Co., Inc., for actual consumption of not more than 70 KWH per month for each resident of the community. The number of community residents shall be determined under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below is as follows:

Rate Schedule	Amount
All	.2864/KWH I

AS42.05.110(I) provides that when appropriations are insufficient for payment in full, the amount paid to each utility is reduced on a pro rata basis. The Division of Energy, Department of Community and Economic Development has notified the Commission that funding is sufficient to cover the fiscal year 2020 (FY20) PCE Program requirements and that the shortfall will require a 0% reduction in the PCE levels effective with the 1st billing period. Beginning with that billing period, the amount of PCE to be credited to the bills of all eligible customers is as shown below:

Rate Schedule	Amount
All	.2864/KWH I

Tariff Advice No. 217-15 Effective: May 15, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
 Darlene Holmberg

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NOV 27 2019

STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

RCA No. 5 Eighteenth Revision Sheet No. 34.00  
Canceling  
Seventeenth Revision Sheet No. 34.00

ANIAK LIGHT & POWER COMPANY, INC.

**Small Facility Power Purchase Rate (SFPPR)**

The rate at which the Utility will purchase power from qualifying facilities with a nameplate capacity of 100 kW or less.

The SFPPR, expressed in cents-per-kilowatt-hour is determined from the sum of fuel and variable operation and maintenance expenses and the energy portion of purchased-power expense for the same period used by the utility to project costs and sales in its COPA, updated by subsequent fuel costs, and divided by the number of kilowatt-hours sold for the same time period.

The SFPPR for the current period is:

A	Fuel Consumption (Gallons)	44,000	
B	Current Fuel Cost	\$ 2,9055	
C	Fuel Expense (AxB)	\$ 127,842.00	
D	Variable O&M Expense	\$0.00	
E	Energy Portion of Purchased Power Expense	\$0.00	
F	(C+D+E)	\$ 127,842.00	
G	kWh Sold	471,000 /kWh	
H	(F/G)	\$ 0.2714 /kWh	R

The SFPPR will be updated with the COPA

Tariff Advice No. 216-5 Effective: January 27, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
Darlene Holmberg

RCA No. 5 Nineteenth Revision Sheet No. 34.00  
Canceling  
Eighteenth Revision Sheet No. 34.00

ANIAK LIGHT & POWER COMPANY, INC.

**Small Facility Power Purchase Rate (SFPPR)**

The rate at which the Utility will purchase power from qualifying facilities with a nameplate capacity of 100 kW or less.

The SFPPR, expressed in cents-per-kilowatt-hour is determined from the sum of fuel and variable operation and maintenance expenses and the energy portion of purchased-power expense for the same period used by the utility to project costs and sales in its COPA, updated by subsequent fuel costs, and divided by the number of kilowatt-hours sold for the same time period.

The SFPPR for the current period is:

A	Fuel Consumption (Gallons)	54,000	
B	Current Fuel Cost	\$ 2,9641	
C	Fuel Expense (AxB)	\$ 160,061.40	
D	Variable O&M Expense	\$0.00	
E	Energy Portion of Purchased Power Expense	\$0.00	
F	(C+D+E)	\$ 160,061.40	
G	kWh Sold	549,000 /kWh	
H	(F/G)	\$ 0.2916 /kWh	

The SFPPR will be updated with the COPA

Tariff Advice No. 217-5 Effective: May 15, 2020

Issued by: Aniak Light & Power Company, Inc.

By: /s/Darlene Holmberg Title: President  
Darlene Holmberg

